



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

Clarence L. Frazier, Treasurer
Taxpayers Party of Kentucky
3493 Castleton Way, N
Lexington, KY 40517

JUL 17 1998

Identification Number: C00299842

Reference: April Quarterly Report (1/1/98-3/31/98)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Transfers to affiliated/party committees should be properly disclosed on a separate Schedule B, supporting Line 22 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

-Your report discloses no payments for administrative expenses. Each committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X submitted each year. 11 CFR §106.5(d)

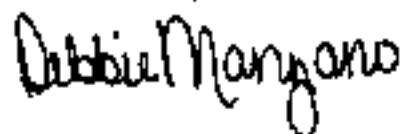
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your

report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,

A handwritten signature in black ink that reads "Debbie Manzano". The script is cursive and fluid, with the first name "Debbie" and last name "Manzano" clearly distinguishable.

Debbie Manzano
Senior Reports Analyst
Reports Analysis Division

